

As for Application 429581, the application is associated with the multi-year AT&T contract included with this correspondence, (with annotations) and in previous Selective Review materials. The Application itself was erroneously filed as Telecommunications and should have been filed as Internet Access. If our consortium needs to do anything to correct this oversight, please inform us.

The 36-month AT&T Contract for Internet Services attached to this and prior correspondence encompasses services requested under the following applications:

AT&T Contract

Form 471	Associated FRN(s)
423732	1172030
427648	1187945
428595	1188283
428649	1188538
428766	1189044
429656	1192059
*429581	1191848

Any prior correspondence that associates other Application numbers with this contract is erroneous. We apologize for this oversight.

Attached to this document is a copy of the AT&T contract mentioned above. The funding requests listed above were applied for in February, 2004. The contract quotes under went at least three revisions before the contract was finalized, based on services requested and the vendor's site-by-site evaluation of each facility. These initial FRN's are based on earlier quotes that were re-assessed as we expanded the services required of this vendor. Several facilities, like our corporate headquarters, the facilities where a local school system runs the school piece of our residential program, administrative offices where no students live or attend day treatment and regional executive's offices are not eligible for Erate funding but are a part of our organization and are included in this contract but not in the funding requests. See the annotated pages of the contract attached.

Bids & Vendor Selection:

For Application 432119, the omitted FRN's 1201156, 1201447, 1201487, 1201537, 1201574, and 1201650 on previous Selective Review documentation, were omitted in a database error in oversight. The For Application 429581 (FRN 1191848) was omitted in oversight as well because it was erroneously filed under Telecommunications instead of Internet Access, any guidance in correcting this error is greatly appreciated. Please consider it was our intent to include these FRN's in the following previously submitted language.

3) Vendor Selection Process

a) Number of Bids

Telecom, "POTS" service requests were sought by EYA personnel directly. In each case a prior year relationship has been extended based on a finding that other vendors could not undercut or even provide service to our locations. Furthermore, EYA is not bound by contract for telephone service at any location.

b) Reasons for Selecting Vendors

As detailed in the charts below, winning vendors were chosen primarily out of necessity

and ability to provide service not on cost....

i) Circumstance and locales of our programs dictate our criteria for vendor selection. As a not-for-profit, for which funding comes primarily from state contracts susceptible to decreases via legislation every session in seven states, we would love to entertain multiple competitive bids and select the most economical. In limited cases where that were possible, cost was a factor.

ii) The first, and most essential, evaluative criteria for vendor selection was could the vendor provide the service. In most cases this criteria solely won out. Secondly, we considered how many of our program entities could the vendor provide service to.

iii) Vendor selection was determined through the coordinated efforts of members of the IT department, The Director of Purchases and local Business Managers (CFO's for individual entities). Correspondence was separate in each instance primarily via phone and in some cases via email. Discussions were cordial and minutes were not maintained.

If Eckerd Youth Alternatives, Inc., can in any way expedite the Erate process or this Selective Review by being proactive in addressing these errors and omissions, please let us know. If any of the following documentation is not adequate to address this inquiry, please inform me immediately. Again, any guidance you can provide in correcting the above mentioned errors is greatly appreciated.

Thank You.

Pamela Norris,
Director of Information Technology

Enclosures
Annotated AT&T Contract
Board Minutes with Cover Letter from CFO
Final Approved Budget
Erate Eligible Programs Breakdown

PN/sa

Eckerd Youth Alternatives, Inc.
Board Approved Budget
FY 2005

	Annual Board Approved Budget
<u>Revenue</u>	
State/Federal Contracts	52,281,749
Medicaid	4,607,170
Food	1,483,038
DOE	3,303,387
NPA	11,616,129
Chapter 1	1,357,874
Erate	290,718
Contributions	2,733,489
Interest Income	236,000
Other	670,164
Total Revenue	78,579,718
<u>Expenses:</u>	
Payroll and Related	
Payroll	42,175,695
Payroll Taxes	3,531,014
Employee Pension	1,696,765
Health Insurance	5,911,825
Workers Compensation	1,717,041
Other	490,764
Total Payroll and Related Expenses	55,523,104
Operating Expenses	
Food	3,214,571
Office Supplies	327,963
Postage	311,590
Education Supplies	315,823
Supplies	2,453,862
Vehicle Operation	502,997
Travel	2,073,830
Repairs & Maintenance	1,660,989
Telecommunications	1,240,094
Utilities	1,317,914
Insurance	2,212,070
Depreciation	2,705,376
Rent	697,089
Consultants	1,374,679
Interest	117,500
Advertising & Publicity	691,164
Other	1,829,280
Total Operating Expenses	23,046,791
Total Expenses	78,569,895
Net of Revenues Over (Under) Expenses	9,823

EXHIBIT 7



Universal Service Administrative Company
Schools & Libraries Division

FUNDING COMMITMENT DECISION LETTER

(Funding Year 2004: 07/01/2004 - 06/30/2005)

August 16, 2005

Pamela Norris
Eckerd Youth Alternative, Inc.
100 N. Starcrest Dr.
Clearwater, FL 33758-7450

Re: Form 471 Application Number: 423732
Funding Year 2004: 07/01/2004 - 06/30/2005
Billed Entity Number: 221272
Applicant's Form Identifier: NC-471-05

Thank you for your Funding Year 2004 E-rate application and for any assistance you provided throughout our review. Here is the current status of the funding request(s) featured in the Funding Commitment Report at the end of this letter.

- The amount, \$84,855.06 is **Denied**.

Please refer to the Funding Commitment Report on the page following this letter for specific funding request decisions and explanations.

The Important Reminders and Deadlines immediately preceding this letter are provided to assist you throughout the application process.

NEXT STEPS

- Review technology planning approval requirements
- Review CIPA Requirements
- File Form 486
- Invoice the SLD using the Form 474 (service providers) or Form 472 (Billed Entity)

FUNDING COMMITMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Report for the Form 471 application cited above. The enclosed report includes a list of the Funding Request Number(s) (FRNs) from your application. The SLD is also sending this information to your service provider(s) so preparations can be made to begin implementing your E-rate discount(s) after you file your Form 486. Immediately preceding the Funding Commitment Report, you will find a guide that provides a definition for each line of the Report.

TO APPEAL THIS DECISION:

If you wish to appeal the decision indicated in this letter, your appeal must be received by the SLD or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and e-mail address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify which Funding Commitment Decision(s) you are appealing. Indicate the relevant funding year and the date of the FCDL. Your letter of appeal must also include the Billed Entity Name, the

Form 471 Application Number, and the Billed Entity Number from the top of your letter.

3. When explaining your appeal, copy the language or text from the Funding Commitment Report that is at the heart of your appeal, to allow the SLD to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep copies of your correspondence and documentation.
4. Provide an authorized signature on your letter of appeal.

If you are submitting your appeal on paper, please send your appeal to: Letter of Appeal, Schools and Libraries Division, Box 125 - Correspondence Unit, 80 South Jefferson Road, Whippany, NJ 07981. Additional options for filing an appeal can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site or by contacting the Client Service Bureau. We encourage the use of either the e-mail or fax filing options.

While we encourage you to resolve your appeal with the SLD first, you have the option of filing an appeal directly with the Federal Communications Commission (FCC). You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received by the FCC or postmarked within 60 days of the above date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, sent to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site or by contacting the Client Service Bureau. We strongly recommend that you use either the e-mail or fax filing options.

NOTICE ON RULES AND FUNDS AVAILABILITY

Applicants' receipt of funding commitments is contingent on their compliance with all statutory, regulatory, and procedural requirements of the Schools and Libraries Universal Service Support Mechanism. Applicants who have received funding commitments continue to be subject to audits and other reviews that USAC and/or the FCC may undertake periodically to assure that funds that have been committed are being used in accordance with all such requirements. The SLD may be required to reduce or cancel funding commitments that were not issued in accordance with such requirements, whether due to action or inaction, including but not limited to that by the SLD, the applicant, or the service provider. The SLD, and other appropriate authorities (including but not limited to USAC and the FCC), may pursue enforcement actions and other means of recourse to collect erroneously disbursed funds. The timing of payment of invoices may also be affected by the availability of funds based on the amount of funds collected from contributing telecommunications companies.

Schools and Libraries Division
Universal Service Administrative Company

A GUIDE TO THE FUNDING COMMITMENT REPORT

A report for each E-rate funding request from your application is attached to this letter. We are providing the following definitions for the items in that report.

FORM 471 APPLICATION NUMBER: The unique identifier assigned to a Form 471 application by the SLD.

FUNDING REQUEST NUMBER (FRN): A Funding Request Number is assigned by the SLD to each Block 5 of your Form 471 once an application has been processed. This number is used to report to applicants and service providers the status of individual funding requests submitted on a Form 471.

FUNDING STATUS: Each FRN will have one of the following definitions:

1. An FRN that is "Funded" is approved at the level that the SLD determined is appropriate for this FRN. The funding level will generally be the level requested unless the SLD determines during the application review process that some adjustment is appropriate.
2. An FRN that is "Not Funded" is one for which no funds were committed. The reason for the decision will be briefly explained in the "Funding Commitment Decision Explanation." An FRN may be "Not Funded" because the request does not comply with program rules, or because the total amount of funding available for this Funding Year was insufficient to fund all requests.
3. An FRN that is "As Yet Unfunded" reflects a temporary status that is assigned to an FRN when the SLD is uncertain at the time the letter is generated whether there will be sufficient funds to make commitments for requests for Internal Connections at a particular discount level. For example, if your application included requests for discounts on both Telecommunications Services and Internal Connections, you might receive a letter with funding commitments for your Telecommunications Services funding requests and a message that your Internal Connection requests are "As Yet Unfunded." You would receive one or more subsequent letters regarding the funding decision on your Internal Connections requests.

SERVICES ORDERED: The type of service ordered from the service provider, as shown on your Form 471.

SPIN (Service Provider Identification Number): A unique number assigned by the Universal Service Administrative Company to service providers seeking payment from the Universal Service Fund for participating in the universal service support mechanisms. A SPIN is also used to verify delivery of services and to arrange for payment.

SERVICE PROVIDER NAME: The legal name of the service provider.

CONTRACT NUMBER: The number of the contract between the eligible party and the service provider. This will be present only if a contract number was provided on your Form 471.

BILLING ACCOUNT NUMBER: The account number that your service provider has established with you for billing purposes. This will be present only if a Billing Account Number was provided on your Form 471.

SERVICE START DATE: The date services were reported to start for this FRN on your Form 471.

CONTRACT EXPIRATION DATE: The date the contract expires. This will be present only if a contract expiration date was provided on your Form 471.

SITE IDENTIFIER: The Entity Number listed in Form 471, Block 5, Item 22a. This will be present only for "site specific" FRNs.

ANNUAL PRE-DISCOUNT AMOUNT FOR ELIGIBLE RECURRING CHARGES: Eligible monthly pre-discount amount approved for recurring charges multiplied by number of months of recurring service approved for the funding year.

ANNUAL PRE-DISCOUNT AMOUNT FOR ELIGIBLE NON-RECURRING CHARGES: Annual eligible non-recurring charges approved for the funding year.

PRE-DISCOUNT AMOUNT: Amount in Form 471, Block 5, Item 23I, as determined through the application review process.

DISCOUNT PERCENTAGE APPROVED BY THE SLD: The discount rate that the SLD has approved for this service.

FUNDING COMMITMENT DECISION: This represents the total amount of funding that the SLD has reserved to reimburse your service provider for the approved discounts for this service for this funding year. It is important that you and your service provider both recognize that the SLD should be invoiced and the SLD may direct disbursement of discounts only for eligible, approved services actually rendered.

FUNDING COMMITMENT DECISION EXPLANATION: This entry provides an explanation of the amount in the "Funding Commitment Decision."

FUNDING COMMITMENT REPORT

Form 471 Application Number: 423732
Funding Request Number: 1172030 Funding Status: Not Funded
Services Ordered: Internet Access
SPIN: 143001192 Service Provider Name: AT&T Corp.
Contract Number: T
Billing Account Number: 80021339298
Service Start Date: 07/01/2004
Contract Expiration Date: 06/30/2005
Annual Pre-discount Amount for Eligible Recurring Charges: \$94,283.40
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$94,283.40
Discount Percentage Approved by the SLD: N/A
Funding Commitment Decision: \$0.00 - Insufficient support resources
Funding Commitment Decision Explanation: During application review, you were asked to demonstrate that when you filed your Form 471 you had secured access to the funds needed to pay your portion of the charges, and you were unable to do so.

CERTIFICATE OF SERVICE

I, Edward Rice, an employee of Holland & Knight LLP, hereby certify that on January 27, 2006, I caused a copy of the foregoing "Request for Review" to be delivered via first-class mail, postage prepaid to the following:

Universal Service Administrative Company
Schools and Libraries Program
Box 125 – Correspondence Unit
80 South Jefferson Road
Whippany, NJ 07981



Edward Rice